



Distillate Watch

January 16, 2002

Energy Information Administration
Office of Oil & Gas

SUPPLY

The last issue of this Watch will be released on January 24. A replacement product called "*This Week In Petroleum*" can now be found at: <http://tonto.eia.doe.gov/oog/info/twip/twip.asp>.

- Production of distillate fuel oil remained at 3.7 million barrels per day (MMBD) for the week while the four-week average dropped to 3.7 MMBD. Production of heating oil remained steady at 1.0 MMBD for the week and the four-week average. Imports rose to 0.3 MMBD, with heating fuel accounting for 58 percent of this week's volume. Distillate fuel oil demand was up to an average of 3.9 MMBD for the week while the four-week average fell to 3.7 MMBD. Stocks of distillate fuel oil declined slightly, 0.3 million barrels (MMB), to 141.9 MMB by January 11, 2002 but remain within their seasonal range. Individually, inventories of diesel fuel rose 2.9 MMB to 82.1 MMB while heating oil stocks fell 3.1 MMB to 59.9 MMB.

Distillate Production by Petroleum Administration for Defense District (Thousand Barrels per Day)

District	Total Distillate Week Ending					High Sulfur (Greater than 0.05% Sulfur) Week Ending				
	12/21/01	12/28/01	01/04/02	01/11/02	01/12/01	12/21/01	12/28/01	01/04/02	01/11/02	01/12/01
East Coast (PADD I)	392	424	436	434	494	230	230	193	192	327
Midwest (PADD II)	849	913	901	822	899	203	207	192	169	208
Gulf Coast (PADD III)	1,838	1,856	1,742	1,785	1,740	482	452	460	487	634
Rocky Mountain (PADD IV)	154	167	170	149	138	31	29	34	27	29
West Coast (PADD V)	458	459	472	480	454	87	87	102	98	106
U.S. Total	3,691	3,819	3,721	3,670	3,725	1,033	1,005	981	973	1,304

Distillate Stocks¹ by Petroleum Administration for Defense District (Million Barrels)

District	Total Distillate Week Ending					High Sulfur (Greater than 0.05% Sulfur) Week Ending				
	12/21/01	12/28/01	01/04/02	01/11/02	01/11/01	12/21/01	12/28/01	01/04/02	01/11/02	01/11/01
East Coast (PADD I)	60.2	59.1	62.5	59.7	42.7	41.3	38.6	40.5	37.1	26.0
PADD IX	10.6	10.2	10.8	10.5	7.8	8.2	7.7	8.0	7.7	5.9
PADD IY	37.4	36.8	36.6	35.5	24.0	28.0	26.9	26.3	25.0	16.1
PADD IZ	12.2	12.1	15.1	13.7	10.8	5.0	4.0	6.2	4.5	4.0
Midwest (PADD II)	29.4	32.1	32.9	34.0	29.4	8.1	8.7	8.9	9.1	7.8
Gulf Coast (PADD III)	32.5	31.5	31.6	33.1	30.2	11.2	11.1	10.7	11.0	11.0
Rocky Mountain (PADD IV)	2.9	3.1	3.2	3.1	3.3	0.3	0.4	0.5	0.4	0.5
West Coast (PADD V)	12.0	11.9	12.0	12.0	12.6	2.3	2.4	2.5	2.3	2.4
U.S. Total	137.0	137.6	142.2	141.9	118.1	63.2	61.2	63.0	59.9	47.7

¹ Distillate fuel oil stocks held in the Northeast Heating Oil Reserve are not included. For details, see Appendix D in the *Weekly Petroleum Status Report*.

For information about distillate supply data, contact the National Energy Information Center at (202)586-8800. Internet: Infoctr@eia.doe.gov.
Source: Energy Information Administration, *Weekly Petroleum Status Report (WPSR)*.

PRICES

- Distillate spot and futures prices took a downturn last week in light of bearish fundamentals. Data released last week showed growing inventories and shrinking demand, while the market continued to show skepticism about the effectiveness of OPEC's production cut agreement. The New York Harbor spot price for heating oil fell 5.10 cents to 51.55 cents per gallon, while the Los Angeles CARB diesel fuel spot price dropped 4.75 cents to 53.25 cents per gallon.
- Retail on-highway diesel fuel prices fell for the second straight week, shrinking 0.9 cents to 115.9 cents per gallon as of January 14, 2002. The average was 35.0 cents lower than a year ago. Residential heating oil prices were down slightly over the past week as well. The average residential heating oil price on January 14, 2002, stood at 116.5 cents per gallon, a 0.3-cent decrease from the January 7 mark of 116.8 cents per gallon. The residential average was substantially below its year-ago level, down 37.0 cents from 153.5 cents per gallon on January 15, 2001.

No. 2 Distillate Spot Prices by City (Cents per Gallon)

City	Low-Sulfur Distillate					High-Sulfur Distillate				
	12/24/01	12/31/01	01/07/02	01/14/02	01/16/01	12/24/01	12/31/01	01/07/02	01/14/02	01/16/01
New York	54.98	55.00	56.57	51.63	86.75	54.48	54.75	56.65	51.55	84.18
Chicago	50.98	50.98	51.57	45.10	89.63	NA	NA	NA	NA	NA
Houston	52.53	52.38	54.28	48.73	87.38	51.73	51.50	54.00	48.73	85.25
Los Angeles (CARB)	61.50	63.25	58.00	53.25	84.00	NA	NA	NA	NA	NA

Source: Reuters Information Services.

No. 2 Distillate Retail Prices by Petroleum Administration for Defense District (Cents per Gallon, Including Taxes*)

District	On-Highway Diesel Fuel					Residential Heating Oil				
	12/24/01	12/31/01	01/07/02	01/14/02	01/15/01	12/24/01	12/31/01	01/07/02	01/14/02	01/15/01
East Coast (PADD I)	117.9	119.2	119.2	119.2	155.2	116.8	117.6	^R 118.6	118.4	155.9
PADD IX	129.4	128.9	129.1	129.5	167.5	114.5	115.3	^R 116.6	116.5	152.4
PADD IY	126.1	127.4	128.1	128.3	165.1	120.2	121.0	^R 121.8	121.5	159.7
PADD IZ	113.3	114.9	114.5	114.4	149.8	106.1	106.5	106.7	106.8	148.6
Midwest (PADD II)	114.0	114.8	114.7	113.4	148.7	96.8	97.0	97.2	96.5	134.8
Gulf Coast (PADD III)	111.3	113.5	113.5	112.7	144.5	NA	NA	NA	NA	NA
Rocky Mountain (PADD IV)	110.6	112.4	112.8	112.8	151.8	NA	NA	NA	NA	NA
West Coast (PADD V)	123.4	125.9	125.6	122.6	158.2	NA	NA	NA	NA	NA
California	127.5	130.5	130.0	127.5	162.9	NA	NA	NA	NA	NA
U.S. Average**	115.4	116.9	116.8	115.9	150.9	115.2	115.9	^R 116.8	116.5	153.5

Source: Diesel Fuel prices: Energy Information Administration, Form EIA-888, On-Highway Diesel Price Survey; Residential Heating Oil prices for PADDs I and II: from data supplied by 21 State Energy Offices (SHOPP prices) from October through mid-March.

* Taxes, if any, are not included in residential heating oil prices.

** Residential heating oil average is for PADDs I and II only.

NA = Not Available.

R = Revised.

For information about price data, contact the National Energy Information Center: 202-586-8800; Internet: Infoctr@eia.doe.gov.